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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

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COUNTRY	East Germany	REPORT	
SUBJECT	Miscellaneous Data on VEB Grosskokerei "Matyas Rakosi", Lauchhammer	DATE DISTR.	26 July 1955
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This is UNEVALUATED Information

THE SOURCE EVALUATIONS IN THIS REPORT ARE DEFINITIVE.
THE APPRAISAL OF CONTENT IS TENTATIVE.
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1. The Lauchhammer plant, VEB Grosskokerei "Matyas Rakosi", processes high-temperature coke from brown coal. It is supplied with the necessary briquettes on a conveyor belt direct from the Friedensgrube Brown Coal Works.[1]

2. Furnace-units, Planned and Actual

Furnace-units installed during 1954 (4 chambers per unit)	8
Furnace-units to be installed during 1955	12
Furnace-units to be installed during 1956	4
Total number of furnace-units planned, before December 31, 1956	24

3. Investments

It is hard to see how the plan can be realized with an investment of only 45,000,000 DME. The entire construction program is allotted a sum of 320,000,000 DME, half of which is reportedly already spent. The expansion of the plant in 1955 must also include the completion of the conveyor belt bridge between the Freundschaft Brown Coal Works[2] and Lauchhammer, since Freundschaft's briquettes will be required for the newer units of the cokery.

4. Consumers

The principal consumers of Lauchhammer's production will probably continue to be the steel plants at Fuerstenberg, Calbe, and Riesa. The quality of Lauchhammer's high-temperature coke is not entirely satisfactory. Cases are known where consumers have sold less-than-average quality coke to their employees. Calbe recently disposed of 3,000 tons in this manner.

5. The construction firms are plagued with supply difficulties. Technological changes render some of the finished construction useless, and it has to be sold for scrap. Other necessary parts are used up in repairs and are no

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longer available for construction of new units. Silica and firebrick, worth 1,500,000 to 2,000,000 DM, for the inside of the furnaces was ruined by careless storage and had to be sold for scrap.

6. Investment Department

At the beginning of 1955, VEB Montan (Leipzig) took over the work of the Lauchhammer Construction Division (Investment Department). But, instead of keeping on the employees of the Investment Department, VEB Montan hired persons who had little knowledge of mining and the former employees were dismissed (about 120 in all). Those few who remained on the job had to take salary cuts. This policy of dismissals and cuts appears to be general in all similar enterprises. For example, Brown Coal Area Senftenberg[3] is to reduce its labor force by 1,200 employees under the new plan. Also eight soft coal mines have discharged 600 skilled workers, many of whom continue to work as common laborers.

7. Leading officials of VEB Grosskokerei "Matyas Rakosi", Lauchhammer

Plant Director: Otto Graf, SED
Technical Director: Dr. Higgemann
Commercial Director: Hans Hensel, SED
Chief Bookkeeper: Bodner, SED
Chief of the Finance Department: Heins Schwars, SED
Chief of the Production Department: Krebs
Chief of the Planning Department: Wittmuets
Chief of the Material Supply Department: Freygang, SED
Chief of the Cadre Department: Willi Poesel, SED
Central Party Leader: Erich Beier, SED
Chief of the Labor Department: Schmidt, SED
Chief of the Investment Department: Heinze

1. [redacted] Comment: Braunkohlenwerk Friedenswacht, Lauchhammer-West. 25X1

2. [redacted] Comment: Braunkohlenwerk Freundschaft, Lauchhammer-West.

3. [redacted] Comment: Revierleitung Senftenberg, Senftenburg Bezirk Cottbus.

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